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ARTICLES:

The town of Mizuho in Tokyo will accept the planned bilateral 'military-military' joint use of the US Air Force's Yokota Base located in Mizuho and some other municipalities in Tokyo, the town's mayor, Koemon Ishizuka, said yesterday. The Japanese and US governments have released an interim report on the planned realignment of US forces in Japan, incorporating an agreement to relocate the Air Self-Defense Force's Air Defense Command from the city of Fuchu to Yokota.

The town yesterday held a plenary meeting of its municipal assembly, in which the mayor stated that he would like to consider world peace and Japan's defense policy. "I'd like to accept their joint use of the airbase if that does not deteriorate the town's living environment," the mayor said.

The interim report was released Oct. 29 last year. Regarding Yokota Base, the two governments have also agreed to return some

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US-controlled airspace to Japan and study the feasibility of joint military-civilian use. However, the town is opposed to this out of fear of possible increased noise pollution.

(2) USFJ realignment: US shows estimated costs for Marine relocation to Guam, Japan again calls for detailed breakdown

ASAHI (Page 2) (Full) February 12, 2006

Japan and the United States held intergovernmental consultations in Tokyo for three days up until yesterday over the planned realignment of US forces, with senior officials for foreign affairs and defense from both sides attending. The US government there presented a breakdown of costs estimated for building facilities and other actions needed for a plan to relocate about 6,000 personnel from the US Marines in Okinawa to Guam. However, the Japanese side asked the US side to come up with an even more detailed breakdown of the relocation costs, asserting that the estimate is insufficient for coordination with the Finance Ministry.

The US Department of Defense estimates the relocation costs at approximately 8 billion dollars (or about 940 billion yen) in total and will ask Japan to pay 75%. The Japanese government will need a new law in order for Japan to pay for the construction of facilities for US forces overseas. The government therefore asked the US side to show its basis for the estimate.

Japan wanted to relocate air tankers from Futenma airfield in the city of Ginowan, Okinawa Prefecture, to the Maritime Self-Defense Force's Kanoya base in Kagoshima Prefecture. However, the US side insisted on their redeployment to Iwakuni base in Yamaguchi Prefecture. Neither government made concessions.

(3) Japan may fund Marine relocation

NIHON KEIZAI (Page 2) (Full) February 11, 2006

Defense Agency Director General Fukushiro Nukaga met with US

Deputy Under Secretary of Defense Lawless yesterday at the Defense Agency. In the meeting, Nukaga and Lawless, who is in charge of the planned realignment of US forces in Japan, discussed Japan's possible share in costs for relocating US Marines from Japan to Guam. "If we need to take legal measures or budget measures, then we will have to work out basic details immediately," Nukaga told Lawless. With this, Nukaga indicated that the Defense Agency would devise a new framework for its financial backing of US military redeployment overseas before March when the Japanese and US governments are scheduled to release their final report on the US military realignment.

"Considering the political schedule, we will have to resolve the various problems in February, or it will be difficult to adhere to the schedule through this March," Nukaga noted. Lawless said, "We must not change the basic principles written in our joint document (interim report)." With this, the visiting Pentagon official warned that there could be no changes to the interim report's specifics, such as the relocation site of Futenma airfield.

(4) US nuclear vessels make 1,200 port calls

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NIHON KEIZAI (Page 2) (Full) February 11, 2006

Nuclear-powered US warships, including submarines and aircraft carriers, have made a total of about 1,200 port calls in Japan, Foreign Minister Taro Aso stated before the House of Representatives Budget Committee in its meeting yesterday. Aso stressed their safety, saying, "We've never had any abnormal radiation readouts." He was replying to a question asked by Tomoko Abe, a member of the opposition Social Democratic Party (SDP or Shaminto).

(5) Government faced with three obstacles -- DFAA bid-rigging scandal, Iwakuni referendum, and stiffened Nago mayor's stance -- under US pressure for early realization of US force realignment

TOKYO SHIMBUN (Page 2) ( Full) February 12, 2006

More turbulence is expected for the government's efforts to coordinate views within the country for the planned US force realignment. The mayor of Nago, the relocation site for US Marines Futenma Air Station, has hardened his stance since his election in January. The municipal government of Iwakuni, Yamaguchi Prefecture, has decided to carry out a referendum on the propriety of transferring some 60 carrier-borne aircraft from Atsugi Naval Air Facility in Kanagawa Prefecture to Iwakuni Air Station in Yamaguchi. In addition, the Defense Facilities Administration Agency (DFAA), which has been playing a central role in making arrangements for the planned US force realignment, has become embroiled in a bid-rigging scandal. The government is now faced with three obstacles.

To the government's relief, Yoshikazu Shimabukuro, who seemed willing to discuss the realignment issue with Tokyo, won the Nago mayoral election in January. But when senior Defense Agency and DFAA officials visited Nago earlier this month, a municipal government official curtly told them: "If you are not going to make any changes to the relocation plan, you don't have to come here anymore."

Through bilateral talks last year, Japan and the United States decided to adopt a coastal plan, but it has drawn a backlash from Nago for fear of serious adverse effects on local residents. Shimabukuro is also reluctant to discuss the plan with the central government and Okinawa Prefecture.

Shimabukuro called on ruling party executives in Tokyo on Feb. 9, but he did not visit the Foreign Ministry or the Defense Agency, suggesting a deep fissure between Nago and the central government.

In addition, Iwakuni is scheduled to conduct a plebiscite on March 12 on US force realignment.

Local residents are reacting fiercely to the plan to relocate carrier-based aircraft from Atsugi to Iwakuni, regarding it as a move to strengthen the functions of the Iwakuni base.

With a view to producing a final report by the end of March, Tokyo and Washington are finalizing the US force realignment plan. If a majority of Iwakuni citizens were to vote against the

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relocation plan in the plebiscite, it would deal a serious blow to Japan-US talks.

The government is also troubled by a bid-rigging scandal involving the DFAA, which has been serving an intermediary between the government and base-hosting localities. The scandal has undermined the credibility of the DFAA. It might also escalate into the resignation of Defense Agency Director General Fukushiro Nukaga or the punishment of DFAA officials, depending on how investigations proceed. A DFAA official noted, "The scandal may have spillover effects on personnel affairs of regional bureaus and thus may eventually have an impact on the government's effort to make arrangements with local areas."

The government has been slow in holding talks with municipal governments. It has also been pressed by Washington to implement what had been agreed upon with the US. With Washington unwilling to make any changes to the framework despite strong calls from Japanese municipalities, Tokyo's headache is unlikely to go away.

(6) US Under Secretary of Agriculture to visit Japan next week to submit BSE report

YOMIURI (Page 2) (Full) February 11, 2006

Japan has re-imposed a ban on US beef imports in the wake of the discovery of beef with vertebral material, designated as a specified risk material that could transmit BSE, in a shipment to Japan. In this connection, the US will submit to Japan mid-next week a report that spells out the result of its investigation of the cause and includes preventive measures. Under Secretary of Agriculture J. B. Penn and other officials are expected to visit Japan to brief Japanese officials on the contents of the report. The Japanese government will look into them and then ask the US to take specific measures to prevent any recurrence.

(7) US to cut back on number of diplomats to Japan, US daily reports

TOKYO SHIMBUN (Page 6) (Full) February 11, 2006

The US Department of State is now taking a second look at the assignments of diplomats worldwide. According to the Feb. 10 edition of the Washington Post, it will cut 61 posts, mainly in Russia and Japan. It will instead increase the number assigned to countries with a rising presence, such as China and India, and to countries with dispute-related fears, by 74.

There will be increases of 15 to China, 12 to India, 5 to Indonesia, and 4 each to Bolivia and Venezuela. Diplomats to newly emerging countries, Latin America, Central Asia, and Middle Eastern countries that are making efforts for democratization are thus to be increased.

The US, on the other hands, plans to cut the number of those to Russia by 10, to Germany by 7, and to Japan by 3.

(8) US trade deficit with Japan reaches record high of 82.6 billion dollars; Congress likely to intensify criticism

NIHON KEIZAI (Page 7) (Full)

# February 11, 2006

The US trade deficit with Japan in terms of goods marked a record high of 82.682 billion dollars (customs clearance basis) in 2005, setting a new record for the first time in five years. Though the US trade deficit with Japan has been overshadowed by its deficit with China, there has now appeared the possibility of US Congress turning a harsh eye to Japan.

A major reason for the growing deficit with Japan is that Japanese car imports far exceed US auto exports to Japan. According to by-country trade statistics released by the Department of Commerce, deficits with Japan in auto and auto parts trade accounted for the largest portion, totaling approximately 50.6 billion yen. The Japan Automobile Manufacturers Association said that auto exports to the US in 2005 reached 1.66 million units, up 6.6% over the previous year.

General Motors and Ford are suffering financial difficulties. The prevailing view in the US government and Congress over this issue is, however, that they should solve their problems themselves. Since the US has given credit to Japanese automakers for contributing to the job market through expanded production in North America, the increased trade deficit with Japan will not directly lead to criticism of Japan.

However, congressional sentiment toward Japan is swiftly becoming harsh following Japan's second ban on US beef imports. Some government officials take the view that there may be calls seeking protectionist measures against both Japan and China, as a senior Foreign Ministry official noted.

(9) No progress in Japan-China dialogue, but the two nations confirm continuation of talks on gas field development, other issues

NIHON KEIZAI (Page 2) (Full) February 12, 2006

The Japanese and Chinese governments yesterday wound up a vice-ministerial-level policy dialogue, completing the two-day talks. On the issue of gas field development in the East China Sea, no specific progress emerged, with no response from China to Japan's proposal for joint development on both sides of the exclusive economic zone (EEZ). What was achieved is that both nations confirmed the continuation of working-level dialogue.

The morning session held in Tokyo saw a business-like discussion. In the afternoon session, both the vice ministers moved to a hotspring resort in Shibata City, Niigata Prefecture, and exchanged views in a casual fashion. Japan's Administrative Vice Foreign Minister Shotaro Yachi proposed a joint study of history in an effort to break the impasse in the currently strained Japan-China relations due to Prime Minister Junichiro Koizumi's continued visits to Yasukuni Shrine.

His Chinese counterpart, Dai Bingguo, who looks at the prime minister's shrine visits as an issue concerning political principles, expressed a cautious view about the proposed joint study. There were no compromises, either, on Japan's bid for permanent membership on the United Nations Security Council and the suicide of a Japanese diplomat at the Shanghai Consulate General.

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Japan urged China to respond to holding a foreign ministerial meeting and resuming reciprocal visits by the two nations' leaders at an early date, but no clear-cut answer came from China. China instead asked for an explanation about Foreign Minister Taro Aso's remarks calling for the Emperor to visit Yasukuni Shrine.

(10) Gov't to gear up pressure policy toward North Korea

NIHON KEIZAI (Page 2) (Full) February 11, 2006

The government will gear up its legal framework for pressure on North Korea since there was no progress in a recent intergovernmental dialogue between Japan and North Korea over the abduction of Japanese nationals. For the time being, the government will forego invoking economic sanction laws and will retain dialogue channels. However, the government will strengthen Japan's tough stance toward North Korea in order to urge that country to make concessions.

"It's true that there is a plan within my office," Foreign Minister Taro Aso told a news conference yesterday. With this, Aso clarified that the Foreign Ministry has begun to study specific pressure measures. The Foreign Ministry's Asian and Oceanian Affairs Bureau Deputy Director General Kunio Umeda has also suggested the necessity of applying stronger pressure. "North Korea is concerned about public opinion in Japan," Umeda told an anti-abduction task force of the leading opposition Democratic Party of Japan (DPJ or Minshuto).

Chief Cabinet Secretary Shinzo Abe has directed relevant government ministries and agencies to study specific measures. There are now plans being floated from within the government, such as: 1) hiking taxes on the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun); 2) inspecting North Korean vessels even more strictly for safety; and 3) tightening controls over drug smuggling from North Korea.

The ruling Liberal Democratic Party on Feb. 9 outlined a North Korea human rights bill. The bill's outline, created by an LDP team simulating economic sanctions against North Korea, requires the government to invoke economic sanctions against North Korea if the abduction issue sees no progress. In addition, the DPJ anti-abduction task force also confirmed yesterday that the DPJ would present a North Korea human rights violation relief bill again to the Diet during the current session, featuring relief measures for North Korean defectors.

(11) Japan-DPRK talks: North Korea demands for compensation for 8.4 million Koreans forced to come to Japan and 200,000 military comfort women, ignoring Pyongyang Declaration

SANKEI (Page 2) (Full) February 12, 2006

In the recent parallel talks between Japan and North Korea, held in Beijing on Feb. 4-8, North Korea demanded, aside from economic cooperation, compensation from Japan for damage suffered by 8.4 million Koreans forced to come to Japan, as well as 200,000 military comfort women, thus indicating specific figures, the Sankei Shimbun revealed yesterday. The Japan-DPRK Pyongyang

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Declaration, signed in September 2002 by the Japanese and North Korean leaders, confirms that in the process of normalizing diplomatic ties, both countries will relinquish property rights and claims. Despite this, North Korea rocked Japan by ignoring the declaration.

According to more than one source familiar with the negotiations, Japan's chief negotiator for diplomatic normalization, Koichi Haraguchi, offered a plan to settle past accounts relating to Japan's colonial rule of Korea via a package of economic cooperation measures.

In response, North Korea Ambassador for Diplomatic Normalization Song Il Ho indicated that compensation for damage 8.4 million Koreans forced to come to Japan and 200,000 military comfort women had suffered should be paid separately from economic cooperation.

Referring to North Korea's recent demand for compensation to Koreans forced to come to Japan and to military comfort women by citing unsubstantiated figures, a Japanese Foreign Ministry source commented: "Aren't they trying to check us and establish for themselves a more favorable position in the negotiations on economic cooperation?"

Last August, the South Korean government declassified diplomatic files related to normalization of Japan-South Korea diplomatic ties, indicating that Japan has a legal responsibility for military comfort women, an issue excluded from the process of diplomatic normalization talks at the time. Citing the stance of South Korea, some are pointing out that North Korea's refusal in the recent parallel talks to settle past accounts via a package of economic cooperation measures might have been aimed at staying in line with public opinion in South Korea.

A Japanese negotiating source responded by arguing that the number of victims provided by North Korea was not substantiated at all. According to this source, the burden of proof lies with the North Koreans, so if they indefinitely insist on (compensation) for Koreans forced to come to Japan and military comfort women, negotiations for diplomatic normalization will become impossible.

Japan attended the recent parallel talks with North Korea, determining the Japan-DPRK Pyongyang Declaration agreed on by Prime Minister Junichiro Koizumi and General Secretary Kim Jong Il as an important political document to promote negotiations on such issues as the Japanese abductees, normalization of diplomatic relations, and nuclear and missile development.

Following the revelation that North Korea declared it would end the moratorium on missile launches specified in the Pyongyang Declaration, many are beginning to speculate that the North is aiming to effectively invalidate the Pyongyang Declaration, though it has been Japan's quide so far.

(12) Interview with political commentator Taro Yayama: Four points for considering Yasukuni issue

SANKEI (Page 15) (Full) February 10, 2006

Define principles for interpretation first

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The Yasukuni Shrine issue, which had been sealed off for 20 years, gushed out in the wake of Prime Minister Junichiro Koizumi's visits to the shrine. (Japan's strained relations with China and South Korea over the issue) now seem unrecoverable, but the issue should not be left untouched forever. Taking advantage of the issue coming to the surface, Japan should define principles that could lead to a settlement of the issue.

In considering the Yasukuni issue, we should focus our attention on these four points: (1) the propriety of Yasukuni enshrining class-A war criminals; (2) reactions from China and South Korea; (3) the separation of politics and religion; and (4) the possibility of creating a secular war memorial.

Those responsible for causing World War II were designated as class-A war criminals under the Charter of the International Military Tribunal for the Far East, an ordinance laid out by the victor nations. But when the San Francisco Peace Treaty was signed in 1951, Justice Minister Takeo Ohashi stated: "They are not criminals under domestic law." When signing the treaty, Japan accepted the "judgments" under Article 11, and not the military tribunal itself.

Because an international accord had been reached on this interpretation, a national movement took place calling on the government to release the war criminals after the San Francisco Peace Treaty was enforced in 1952, and a resolution calling for acquitting the war criminals was unanimously adopted in 1953.

Some 40 million signatures, though Japan had a population of only 70 million at that time, were collected.

Of the seven who had been sentenced to life, Okinori Kaya became justice minister afterward, and Mamoru Shigemitsu, who had been sentenced to seven years imprisonment, served as United Nations ambassador and foreign minister. He was awarded the first class medal. Later, leftwing groups in the Japanese Communist Party and the Socialist Party began to bring up this issue, with a focus on historical views of the Tokyo Trials. Following this, a sense of quilt also began to be instilled in even conservative groups.

In discussing the Yasukuni issue, some persons compare Prime Minister Hideki Tojo to Hitler, but both cases are utterly different. Hitler took action to eliminate the Jewish race from the earth, but Prime Minister Tojo performed his duty of conducting the war. Germans therefore called themselves the victims of Hitler, while 100 million Japanese all felt responsibility for the war. Other countries regarded the class-A war criminals as sinners, but the ancient view of life and death in Japan is that after persons die, their crimes disappear and they turn into purified souls. In contrast, it is said to be common in China to speak ill of a dead person. Japan should not be drawn into such a world of deep-seated hatred.

### Other countries' interference

The Asahi Shimbun takes the view that the Emperor has refrained from paying homage at Yasukuni Shrine because the shrine also houses class-A criminals. As said by Foreign Minister Aso, though, the reason is probably that Prime Minister Miki specified that his own shrine visit was made in the capacity of a private citizen. His remarks supposedly resulted in putting restraints on a visit by the Emperor, who holds an official position. The last

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imperial visit to Yasukuni Shrine was on Oct. 21, two months after Prime Minister Miki's private visit to the shrine (on Aug. 15 1975). On the day prior to the Emperor's visit, the Socialist Party took up the issue, and that day, Prime Minister Miki said in his Diet reply: "The Emperor visited the shrine in the capacity of a private individual." Since this is a tortured interpretation of Article 20 in the Constitution, which stipulates the separation of politics and religion, the Emperor finds it difficult to pay homage at the shrine.

With the aim of making the principle of separation of politics and religion definite, Yasuhiro Nakasone visited Yasukuni Shrine in his official capacity as prime minister on Aug. 15 in 1985. If this policy had been established, the way would have been paved for a visit by the Emperor. In the face of pressure from China, however, Nakasone forwent an official visit to the shrine on Aug. 15 in 1986. Chief Cabinet Secretary Masaharu Gotoda issued the following statement on the previous day, August 14:

"In part because Yasukuni Shrine enshrines class-A war criminals, (the prime minister's visit to the shrine) comes under fire from neighboring countries and might generate misunderstandings about Japan's determination to establish a peaceful and friendly relationship with them and even distrust in Japan."

In an effort to resolve the difficult issue of separation of politics and religion, Prime Minister Nakasone essentially accepted the interference of neighboring countries in Japan's internal affairs and also mistakenly used the words "class-A war criminals," which the Japanese government has never recognized. Although the issue of class-A war criminals is very sensitive, Gotoda placed Yasukuni's enshrinement of these people in the same context as interference into Japan's domestic affairs from China and South Korea.

# Go back to the basics of treaty

When diplomatic problems occur, the countries concerned should consider them while going back to the basics of the relevant treaty. The conclusion of a treaty represents the resolution of

issues and sets a new starting line. Japan and China issued a joint statement in 1972 and concluded their Peace and Friendship Treaty in 1978. But Article 3 of this treaty provides for "peace, mutual benefits, and non-interference in the other side's domestic affairs." When the treaty was signed, there was no reference at all to the International Military Tribunal or the judgments.

China has no right to refer to the (Yasukuni) issue, but it has brought it up in an attempt to manipulate Japanese political and business circles, as well as the mass media. This is tantamount to interference in another country's domestic affairs. Some persons in political and business circles have echoed China's view. I wonder if such persons are unaware that China is using them. The creation of a national secular war memorial would only convince the Chinese that they succeeded in having Japanese people give in to pressure.

(13) ODA reform: Do not allow efforts to end as mere show

ASAHI (Page 3) (Full) February 10, 2006

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The Study Council on Overseas Economic Cooperation, a panel tasked with considering the proper form of the official development assistance (ODA) system, is now discussing who should set the government's ODA strategy and which organization should implement it. The panel is a private advisory council reporting to Chief Cabinet Secretary Abe. It is expected to compile a draft possibly at the end of this month.

Panel members have floated a reform plan after repeated discussions. According to that, a cabinet-minister-level council will be newly established in order to strengthen ODA control. The Ministry of Foreign Affairs (MOFA) will be in charge of planning specific projects. An implementing organization will be established, by integrating the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC). However, what we want the panel to do first is to discuss how Japan can drastically reform the ODA system, keeping problems with it in mind.

In reforming the ODA system, it is necessary to address such issues as creating an entity that can harmonize two aspects of ODA -- the implementation of humanitarianism and the pursuit of national interests -- in actually providing aid to developing countries. At the same time, aid-implementing organizations should be streamlined, because two separate organizations are currently separately providing aid because of bureaucratic sectionalism: the Finance Ministry has jurisdiction over JBIC and MOFA over JICA.

To address this issue, the envisaged ODA strategy council, which is to act as a control tower, should involve people from private companies and nongovernmental organizations who have rich experience in overseas activities, in order to make use of their resourcefulness. Japan's ODA will be left behind in the global trend for aid to developing countries if it adopts an approach of having only a limited number of cabinet ministers direct the endeavor out of the need to guard diplomatic secrets.

The proposal for integrating JICA and JBIC as an ODA implementing organization is a breakthrough. However, efficiency and fairness cannot be ensured unless the new entity covers grant aid cooperation that now involves 13 agencies, centered on MOFA. It is more effective to provide aid to developing countries by combining yen loans, grant aid, and technical cooperation. This method can also eliminate waste stemming from bureaucratic sectionalism.

MOFA said that it would look into the possibility of transferring grant aid cooperation under its jurisdiction to the planned implementing organization. In order to unify the organizations, the panel should propose the integration of grant aid cooperation

functions under the jurisdiction of other agencies as well.

ODA reform efforts will end up as a mere show if an insular control mechanism is established over existing implementing organizations, which are attached to government offices.

JBIC has an international financing section for trade finance and a loan system for the development of natural resources, as well as a yen loans function. These functions may be necessary. But they can be maintained, by transferring an export L/C issuance function to Nippon Export and Investment Insurance, an independent administrative agency, and aid for the development of

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natural resources to the Japan Oil, Gas, and Metals National Corporation, an independent administrative agency, or they can be placed under the jurisdiction of a government-affiliated financial institution to be created anew.

From an international perspective, it is better to separate yen loans, which are aid, from international finance, which is aid for business operations, because placing the two functions under a single entity could lead to a misunderstanding that Japan is using aid for business.

We want the panel to draft a reform plan from an overall perspective so that Japan's ODA can reflect the nation's ideals and national interests.

SCHIEFFER